

# Fearnleys Weekly Report

## Activity level

VLCC	Suezmax	Aframax	P.E. of Suez	P.W. of Suez
Soft	Stable	Mixed	Stable	Stable

	Last week	Prev. week
VLCCs fixed all areas last week:	49	54
VLCCs avail. in MEG next 30 days:	99	104

## Rates

DIRTY (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / West	VLCC	25.00	28.50	25.00	60.00
MEG / Japan	VLCC	47.50	54.00	47.50	96.50
MEG / Singapore	VLCC	47.50	55.00	47.50	96.00
WAF / FEAST	260,000	57.50	63.50	57.50	97.50
WAF / USAC	130,000	90.00	92.50	70.00	117.5
Sidi Kerir / W Me	135,000	97.50	105.0	75.00	117.5
N. Afr / Euromed	80,000	102.5	105.0	95.00	190.0
UK / Cont	80,000	102.5	92.50	92.50	110.0
Caribs / USG	70,000	90.00	110.0	90.00	215.0

CLEAN (Spot WS)		This week	Last week	Low 2017	High 2017
MEG / Japan	75,000	110.0	120.0	80.00	155.0
MEG / Japan	55,000	130.0	130.0	107.5	150.0
MEG / Japan	30,000	137.5	135.0	135.0	167.5
Singapore / Japan	30,000	150.0	150.0	150.0	180.0
Baltic T/A	60,000	155.0	130.0	110.0	155.0
UKC-Med / States	37,000	175.0	145.0	130.0	200.0
USG / UKC-Med	38,000	115.0	100.0	80.00	127.5

1 YEAR T/C (usd/day) (theoretical)		This week	Last week	Low 2017	High 2017
VLCC	(modern)	27 000	27 500	27 000	30 000
Suezmax	(modern)	19 500	20 000	19 500	22 800
Aframax	(modern)	16 000	16 000	16 000	18 500
LR2	105,000	16 750	15 750	15 750	16 750
LR1	80,000	13 750	13 750	13 750	14 000
MR	47,000	12 750	12 750	12 500	13 500

1-Year T/C, Crude (USD/Day)

1-Year T/C, Clean (USD/Day)

## TANKERS

### Crude

The lacking volumes and growing tonnage lists has gradually depleted earnings for the VLCC's. Despite fierce resistance and 'a multi-tier-market' it simply has been insufficient to withstand the force of 'supply and demand'. A couple of game-changing deals done Meg/East has brought earnings to sub \$10k/day for Meg/East and likely to have effects on the other VLCC routes. Suezmaxes have seen an uninspiring week in terms of activity and adjustment in rates. The early part of the first decade in West Africa was covered comfortably with a hangover of tonnage from March sufficiently soaking up the slim volume. Charterers then reverted to the well-worn tactic of stealth fixing to purvey a sense of limited action. By the end of the week owners sensed that the latter part of the first decade was actually tightening up and assisted with some injection barrels the last done currently stands at ws92.5 for TD20 which has yet to be breached, however dates have pushed on to early 2nd decade leaving earlier ships in distress which could be telling. Meanwhile the Bsea and Med could be described as a damp squib having had slow action and eroding rates for much of last week. More action is required across the board to clear out ships and stimulate any market recovery. Aframax in North Sea and Baltic had a tighter feel to it end of last week, but remained unchanged. With several fuel oil cargoes ex Baltic and cross north sea cargoes entering the market Monday morning rates improved. It has got potential to go even further in the current fixing window. In the Med and Bsea, we expect rates to stay at current levels despite a lower export volume out of both CPC and Novo.

### Product

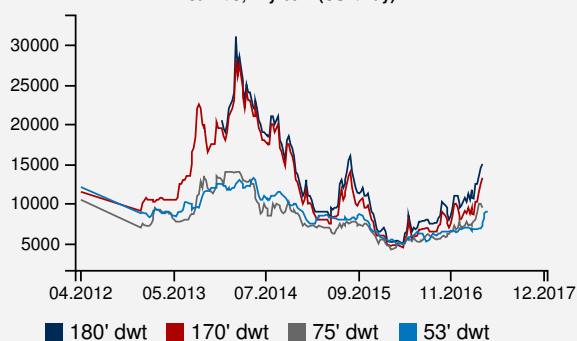
EAST OF SUEZ We had positive hopes for the market in the Middle East Gulf this week, but it seems the momentum has been lost and at best we can say the market has moved sideways. The LR1's have been able to maintain rates at ws125/130 level this week but their bigger sister's, the LR2's, have been put under pressure from charterers and have had to accept a ws10 points reduction and is today fixing at w110 level. For both sizes this gives a daily earning between USD 11/12.000 per day. The rate for U.K. Continent discharge, for LR2's, is still around the USD 1,6 mill mark and USD 1,2 mill for the LR1's. The MR voyage from west coast India to Japan is flat at ws135 level. In the Far East the classic voyage from Singapore to Japan with 30.000 tons is also unchanged at ws150 and the short haul voyage from South Korea to Japan has put on a few thousand Dollars and is today at USD 285.000. WEST OF SUEZ It has been, and still is, a good week in the Atlantic with a positive trend in all segments. For MR's the straight Continent to states voyage has gained some ws30 point so far this week and the MR backhaul cargo ex U.S. gulf is up some ws15 points. For owners able to do the triangulation daily earning have increased from USD 12.000 to about USD 17.000 today. LR1's trading from the Continent to west Africa are also having some good times and rates have gained ws25 points this week. Unfortunately it seems the only ones not invited to the party is the LR2's which have seen rates both from the Continent and Mediterranean drop about USD 200.000. Mediterranean to Japan today's pays in the region of USD 1,8 mill. Handies on the Continent have had a very good week with rates jumping from ws175 to ws200 and the Handies in the Mediterranean have had a blast with rates exploding from ws175 to ws250 level today.

# Fearnleys Weekly Report

## Activity level

Capesize	Panamax		Supramax	
Active	Slow		Stable	
Rates	This week	Last week	Low 2017	High 2017
CAPESIZE (usd/day, usd/tonne)				
TCT Cont/Far East (180' dwt)	29 000	27 000	12 000	29 000
Tubarao / R.dam (Iron ore)	8.00	7.78	5.10	8.00
Richards Bay/R.dam	7.00	7.26	4.70	7.26
PANAMAX (usd/day, usd/tonne)				
Transatlantic RV	8 000	9 000	6 800	11 000
TCT Cont / F. East	13 750	14 000	12 000	15 000
TCT F. East / Cont	3 750	3 850	2 500	3 850
TCT F. East RV	9 600	10 100	5 000	10 100
Murmansk b.13-ARA 15/25,000 sc	6.15	6.35	6.00	7.00
SUPRAMAX (usd/day)				
Atlantic RV	10 500	11 000	9 400	12 000
Pacific RV	8 400	8 200	3 900	8 400
TCT Cont / F. East	13 900	13 500	12 000	14 000
1 YEAR T/C (usd/day)				
Capesize 180,000 dwt	15 000	14 500	10 250	15 000
Capesize 170,000 dwt	13 250	12 500	8 650	13 250
Panamax 75,000 dwt	9 500	10 000	7 250	10 000
Supramax 53,000 dwt	9 000	9 000	6 600	9 000
Baltic Dry Index (BDI):	1190	1147	n/a	n/a

1-Year T/C, Dry bulk (USD/Day)



## DRY BULK

### Capesize

Taking a breather after rallying - but outlook for weeks to come not scary. Huge iron ore volumes committed on the Brazil/China conference trade at ever-improving rates, and only a limited number of ballasters able to make ECSA by april remaining. West Australian miners to a large extent absent from spot scene, thus interpacifc freight levels lagging in comparison. Transatlantic vessel utilization rate high with resultant average pay of usd 19-20k/day - as compared to an overall average of some usd 17500, which is in turn up 11-12 pct w-o-w. Improving spot and supporting FFA values in tandem allowing for increased period activity/levels, exemplified by 172000 dwt/blt 2002 done for 10-14 mos at a handsome USD 14k.

### Panamax

Activity in the Panamax market remains limited in both hemispheres. However, it looks like the rates are stabilizing and are expected to increase in the next few days. In the Pacific there has been little fixing with owners willing to do mid/high USD 9k for LME's delivery Korea, while a Kmax was reported fixed for 1 tct via Indonesia with coal to SporeJpn at 11,000 \$/Day. Atlantic has been slightly more active and it was reported a 87k dwt delivery APS Recalada for 10-14Apr, with grains to Spore-Jpn at 12000 \$/Day, +\$600k GBB. There are still good expectations for the ECSA market. FFA's have also had a positive reaction with Q2 trading up to USD 10,350 (+\$450) mid week.

### Supramax

In the Pacific the market seems somewhat slower this week, although healthy rates still being achieved. With the nickle ore season approaching, vessels which can carry this cargo are getting high rates. Umax opn Kohsichang fixed at 13k and Supra opn Bohai Bay fixed 10.5k with same cargo for China destination. Indo/china is being fixed around mid 12k with Spore delivery on Supras, while nopac rv's are rather quiet. Vessels open WCI are achieving around mid 12k for trip to Feast, while vsls opn ECI with same destination is getting paid arnd low 10k. It was seen more seasonal cargoes out SA, whereas USG was still under pressure with few new enquires . Vsls out SA on haul were still fixed around 12-13k + bb.

## Activity level

COASTER	15-23,000 cbm	82,000 cbm
Moderate	Moderate	Active

### LPG Rates

\* Excl. waiting time, if any

SPOT MARKET (usd/month)*	This week	Last week	Low 2017	High 2017
VLGC / 84,000	615 000	400 000	400 000	670 000
LGC / 60,000	480 000	460 000	385 000	500 000
MGC / 38,000	500 000	505 000	500 000	550 000
HDY / 22,000	505 000	515 000	505 000	550 000
ETH / 10,000	500 000	510 000	500 000	540 000
SR / 6,500	430 000	430 000	420 000	450 000
COASTER Asia	190 000	190 000	190 000	190 000
COASTER Europe	195 000	195 000	110 000	195 000

LPG/FOB prices (usd/tonne)	Propane	Butane	ISO
FOB North Sea / ANSI	408.5	449.0	
Saudi Arabia / CP	480.0	600.0	
MT Belvieu (US Gulf)	313.3	335.2	344.3
Sonatrach : Bethioua	405.0	490.0	

### LNG

SPOT MARKET (usd/day)	This week	Last week	Low 2017	High 2017
East of Suez 155-165'cbm	29 000	29 500	29 000	38 000
West of Suez 155-165'cbm	32 000	35 000	32 000	52 000
1 yr TC 155-165'cbm	32 000	32 000	32 000	35 000

## GAS

### Chartering

The improved VLGC activity we wrote about last week has carried over to this week, thankfully. It has also been interesting to see that the East market has been leading the way both for activity and freight rates. While rates in the West have remained at last week's level, rates from MEG (and West Africa) to the East have improved quite a bit. As we hinted last week, the owners were looking at USD 30+ for the benchmark (and Baltic index) route and it took a few days only for actual fixtures as well as the Baltic index to break through the USD 30 barrier. In the very short term the rates in the East have the potential to take down the 2017 peak back in January (at USD 34.42 pmt) but it will be depending on early April FOB availabilities in the MEG that can reach the Far East within the month. The most recent fixture in the East returns some USD 20,000 per day on a modern vessel with current (lower) bunker prices. In the next couple of weeks the VLGC freight market is once again in the hands of the cargo market i.e FOB avails versus CFR pricing - and very few owners who know well how to price themselves in a contango market.

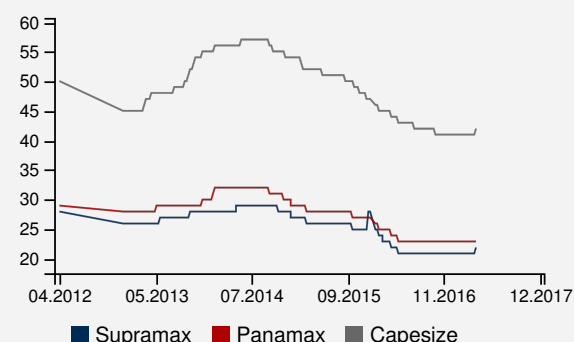
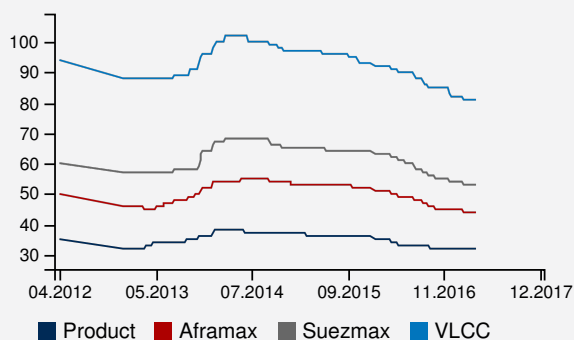
# Fearnleys Weekly Report

## Activity level

Tankers	Dry Bulk	Others
Slow	Slow	Slow

## Prices

Average Far Eastern Prices					
PRICES (mill usd)		This week	Last week	Low 2017	High 2017
VLCC	300'dwt	81.00	81.00	81.00	82.00
Suezmax	150'dwt	53.00	53.00	53.00	54.00
Aframax	110'dwt	44.00	44.00	44.00	45.00
Product	50'dwt	32.00	32.00	32.00	32.00
Capesize	180'dwt	42.00	41.00	41.00	42.00
Panamax	82'dwt	23.00	23.00	23.00	23.00
Supramax	64'dwt	22.00	21.00	21.00	22.00
LNGC	170'cbm - MEGI	184.0	184.0	184.0	184.5



## Market brief

	This week	Last week	Low 2017	High 2017
<b>Rate of exchange</b>				
USD/JPY	111.1	114.7	111.1	117.6
USD/KRW	1 117	1 144	1 117	1 206
USD/NOK	8.45	8.60	8.22	8.65
EUR/USD	1.08	1.06	1.04	1.08
<b>Interest rate</b>				
LIBOR USD 6 mnths	1.43	1.43	1.32	1.43
NIBOR NOK 6 mnths	1.10	1.08	0.99	1.29
<b>Commodity prices</b>				
Brent spot (USD)	50.20	51.20	50.20	56.77

## Bunker prices

Singapore	380 CST	289.0	294.0	289.0	345.0
	180 CST	320.0	272.0	272.0	360.0
	Gasoil	459.0	470.0	459.0	505.0
Rotterdam	380 HSFO	268.0	272.0	268.0	310.0
	180 CST	299.0	303.0	299.0	339.0
	Diesel	431.0	438.0	427.0	475.0

## NEWBUILDING

Sovcomflot has placed an order for 4 firm Aframax Tankers at Hyundai Samho. Delivery scheduled from 3rd qt 2018. Vessels will be delivered with Ice class 1A and will be the world's first LNG fuelled Aframax. Price around 60mill usd per vessel. Odfjell has entered into an LOI with the Chinese shipyard Hudong-Zhonghua for two 38,000dwt Stainless Steel Chemical Tankers. Both vessels prepared for dual fuel. Price reported to 58mill usd per ship.

## NEWBUILDING CONTRACTS

Type	No	Size	Yard	Buyer	Del	Price	Comm
Chem	2	38000dwt	Hudong	Odfjell	2019		LOI
MT	4	114000dwt	HHI	Sovcomflot	2018/19	60	Ice 1A, LNG fuelled.

## SALE AND PURCHASE TRANSACTIONS

Type	Vessel	Size	Built	Buyer	Price	Comm.
MT	Kyeema Spirit	113 357	1999		7,70	committed
MT	Bow Architect	30 058	2005	Odfjell	16,70	stst
MT	Loyal Pegasus	13 250	2008	Far Eastern	11,00	
MT	Rio Dauohin	12 713	2009	Far Eastern	11,20	
MT	Cap Ferret	8 110	1998	Greek	2,70	
BC	Pacific Capella	180 346	2012	Undisclosed	28,00	
BC	Hanjin Dangjin	179 255	2010	Korea Line	26,50	
BC	Hanjin Rizhao	179 194	2010		26,50	
BC	Hanjin Esperance	179 100	2012	JP Morgan	29,50	
BC	Welfine	93 146	2011	Greek	17,00	Long subs
BC	Welprofit	93 000	2011	Greek	17,00	Long subs
BC	Hanjin Rosario	82 600	2013	European	22,00	
BC	Hanjin Port Kamsar	82 600	2012	Pan Ocean	21,00	
BC	Hanjin Hadong	82 600	2012		21,00	
BC	Thames	74 444	2006	Greek	8,50	
BC	Tuo Zhan 7	69 315	1990	Zhejiang Xiehai	4,30	
BC	Sun Acapulco	55 730	2006	Greek	High 9's	
BC	Sparrow	48 229	2000	Undisclosed	5,20	
BC	Seawing III	45 248	1999	Undisclosed	4,50	
BC	Hanjin Perth	35 177	2013	Undisclosed	12,00	
BC	Harlequin	32 891	2012	Greek	9,40	
BC	Alice	28 426	1997	Chinese	3,00	

## DEMOLITIONS

### Sold for demolition

Vessel name	Size	Ldt	Built	Buyer	Price
Ropax C-K Star	4 429	10 664	1989	Undisclosed	257
GAS Gas Magic	29 171	10 150	1989	Indian	385
GC Hong leopard	34 380	9 510	1989	Undisclosed	365
GC Sapai	28 860	6 880	1989	Bangladeshi	359
CONT Brilliant	9 868	4 503	1992	Bangladeshi	377